

Message Text

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PAGE 01 LIMA 09562 312252Z

ACTION EB-08

INFO OCT-01 ARA-10 EA-10 ISO-00 COME-00 XMB-02 L-03

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R 312201Z OCT 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7337

INFO AMEMBASSY TOKYO

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PLEASE PASS USDOC AND EXIM

E.O. 11652: N/A

TAGS: BDIS PE

SUBJ: PAGE COMMUNICATIONS COMPLAINT AGAINST ENTEL PERU

1. LIMA OFFICE OF PAGE COMMUNICATIONS ENGINEERS (HEADQUARTERS IN VIENNA, VIRGINIA) HAS SENT EMBASSY INFO COPY OF LETTER IT HAS SENT TO EMPRESA NACIONAL DE TELECOMUNICACIONES DEL PERU (ENTEL PERU) REQUESTING PAYMENT OF \$194,494.00 FOR PAGE'S EXPENSES IN CONNECTION WITH A CONTRACT BETWEEN PAGE AND ENTEL WHICH ENTEL CANCELLED ON OCTOBER 10, 1977. PAGE HAS NOT YET FORMALLY REQUESTED EMBASSY ASSISTANCE IN CLAIM, WHICH, IT APPEARS FROM TEXT OF ITS LETTER, IT HOPES TO RESOLVE DIRECTLY WITH ENTEL. (ENTEL IS PERUVIAN STATE TELECOMMUNICATIONS COMPANY.)

2. THE CONTRACT IN QUESTION CONCERNS RADIO COMMUNICATIONS SYSTEM DEVELOPED BY PAGE IN CONNECTION WITH NORTHERN PERU OIL PIPELINE. CONTRACT WAS SIGNED ON MARCH 1, 1977, AND MODIFIED ON SEPTEMBER 20, 1977, BUT IN A LETTER DATED OCTOBER 10, 1977, ENTEL PERU INFORMED PAGE THAT IT WOULD NOT SUBMIT THE CONTRACT TO THE REMAINING GOP ENTITIES FOR FINAL APPROVAL, AND THUS, THE CONTRACT WOULD NOT ENTER IN FORCE. IN ITS LETTER PAGE STATES THAT DISCUSSIONS

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BETWEEN ENTEL AND PAGE REGARDING THE COMMUNICATIONS SYSTEMS HAD BEGUN IN MAY 1975 AND THAT PAGE HAD CARRIED OUT FIELD STUDIES AUTHORIZED BY MINISTRY OF TRANSPORT AND COMMUNICATION RESOLUTIONS AND A LETTER FROM ENTEL PERU DATED JULY 22, 1976. PAGE REQUESTS PAYMENT FOR THE FIELD STUDIES AS WELL AS EXPENSES INCURRED FOR TAXES, ENGINEERING AND ADMINISTRATIVE COSTS, LEGAL COMMISSIONS,

A COMMISSION FOR OBTAINING A LOAN COMMITMENT (INVOLVING LOAN FROM SECURITY PACIFIC NATIONAL BANK AND EXIM BANK GUARANTEE), AND PROFITS FOR WORK EXECUTED.

3. THE PAGE/ENTEL LETTER INDICATES THAT ENTEL HAS SUGGESTED TO PAGE THAT LATTER WILL HAVE TO PURSUE ITS CLAIM THROUGH PERUVIAN COURTS. PAGE, FOR ITS PART, STATES ITS DESIRE TO RESOLVE THE CLAIM DIRECTLY WITH ENTEL WHICH IT ASSERTS IS CONSISTENT WITH EXISTING PERUVIAN LAWS. PAGE WILL UNDOUBTEDLY ASK FOR EMBASSY ASSISTANCE IF IT IS UNABLE TO REACH AMICABLE SETTLEMENT DIRECTLY WITH ENTEL PERU.

4. PAGE REPRESENTATIVES HAVE VISITED AMBASSADOR ON TWO SEPARATE OCCASIONS FOR INFORMAL CONSULTATIONS ON THIS MATTER. THEY ASSERTED, AND OTHER SOURCES CONFIRM, THAT THE MINISTRY OF TRANSPORT AND COMMUNICATIONS DECIDED TO CANCEL THE CONTRACT BECAUSE THE JAPANESE OFFERED A COMPREHENSIVE LOAN ON NEAR-CONCESSIONAL TERMS TO COVER THE PURCHASE OF COMMUNICATIONS EQUIPMENT INCLUDING EARTH SATELLITES WHICH WOULD TAKE CARE OF THE NEEDS FOR WHICH THE PAGE CONTRACT WAS DESIGNED. BECAUSE OF SUCH FINANCING THE JAPANESE HAVE A VIRTUAL MONOPOLY ON THE PROVISION OF SUCH EQUIPMENT HERE. WE ASSUME THE JAPANESE ARE PARTIES TO THE SO-CALLED QUOTE GENTLEMEN'S AGREEMENT UNQUOTE ON EXPORT FINANCING BUT THAT THEY LIMITED OFFICIAL USE

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COULD ARGUE THE DEVELOPMENTAL PURPOSES OF THIS PARTICULAR LOAN. IN ANY CASE, THE QUOTE GENTLEMEN'S AGREEMENT UNQUOTE SEEMS TO HAVE LITTLE RELEVANCE HERE WHEN IT COMES TO BIG-TICKET ITEMS SUCH AS THE AIRBUS AIRCRAFT WHICH THE FRENCH AND GERMAN GOVERNMENTS RECENTLY OFFERED TO FINANCE FOR AEROPERU ON EXCEEDINGLY GENEROUS TERMS.
SHLAUDEMAM

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NNN

Message Attributes

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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 31-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Subject: PAGE COMMUNICATIONS COMPLAINT AGAINST ENTEL PERU
TAGS: BDIS, PE
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